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HATTIE ELIZABETH LEWIS MEMORIAL
ESSAYS IN APPLIED CHRISTIANITY

AN APPLICATION OF THE TEACHINGS OF
CHRIST TO THE RELATION OF THE
EMPLOYER TO HIS EMPLOYEES

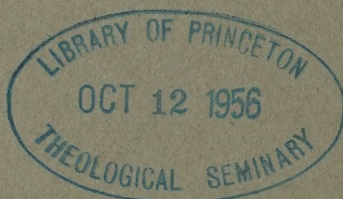
BY

MARSHALL A. GRANGER

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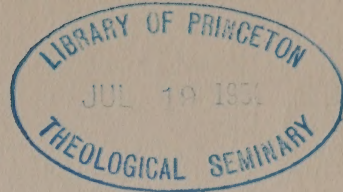
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**AN APPLICATION OF THE TEACHINGS OF
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By **MARSHALL A. GRANGER**, of Lawrence, Kansas

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PREFATORY NOTE

THE HATTIE ELIZABETH LEWIS MEMORIAL

This Memorial was established in the University of Kansas in 1911, in memory of Hattie Elizabeth Lewis, a former student of the University. It takes the form of an annual competition in essay writing, open to all students of the University of Kansas. The general theme of the essays submitted in this competition is "The Application of the Teachings of Jesus to the Practical Affairs and Relations of Life, Individual, Social, Industrial, Commercial, or Political"; but each essay must deal with a single definite subject, or a single phase of life. Each essay is required to be not less than 5,000 nor more than 10,000 words in length.

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BY

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PREFACE

A great number of books, pamphlets, reports, and magazine articles have been written about the relation of the employer to his employees. Among these writings are many dealing with the application of Christian principles to this relation. But almost without exception the application of these principles is regarded from the point of view either of the employees or of society in general. Very little attention has been given to the viewpoint of the employer, and nowhere have the advantages which would come to the employer as the result of the application of these principles, been definitely enumerated.

Although the viewpoint of the employer has been thus neglected, the extent to which these principles will actually be applied, must depend almost entirely upon the advantages or disadvantages which come to the employer as the result of their application. Laws and legal requirements may do something to enforce these principles, but the initiative of the employer must always be the most important factor in determining to what extent they will be applied. For this reason this paper looks at the subject from the point of view of the employer, and regards as self-evident the good results to the employees and to society as a whole, of the application of the teachings of Christ to the relation of the employer to his employees.

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AN APPLICATION OF THE TEACHINGS OF CHRIST TO THE RELATION OF THE EMPLOYER TO HIS EMPLOYEES

The organization of the industrial world has undergone great and rapid changes during the last century. These changes have caused a constant shifting of the relations between men, and on account of this lack of permanence men have had no chance to adjust their relations in the most mutually advantageous way. In the rush of the business world and with constantly changing conditions, many sound principles have not been fully made use of, and many things have been done without a full consideration of their effect.

Particularly is this true of the relation between the employer and his employees. In dealing with his employees the modern employer has been influenced much more by present needs and the advantages to be gained in the immediate future than has been consistent with a policy making for his greatest advantage in the long run. This must be attributed in large part to the great changes in industrial organization, which have given the employer no chance to compare the effects of different policies or to observe the good results of a far-sighted policy after a long trial.

One hundred and fifty years ago all industry was carried on in the home or in small shops close by. Every one engaged in production was a workman. Nearly every worker was his own master, owning his own tools and selling his own product. The few men who employed other workmen, worked side by side with them in their little shops. The whole body of people engaged in each trade belonged to the same social class, and their relations were easily and fairly adjusted.

But with the industrial revolution in England between 1764 and 1790, the methods of production were completely changed. The steam engine, invented in 1769 by James Watt, made possible the substitution of power machinery for hand labor. The multiple spinning wheel, devised in 1764 by Hargreaves, and the power loom, invented by Cartwright in 1785, transformed spinning and weaving into a large-scale industry; and the puddling process of transforming pig iron into malleable iron, devised about the same time by Cort, facilitated the production of machinery. The

result of these inventions was that by the end of the eighteenth century power machinery was replacing hand labor in every important branch of English manufacturing. With the introduction of power machinery came the crowding of the laborers into factories. The independent artisans with their small shops passed away, and the capitalist, employing large numbers of laborers, took their place.¹

With the beginning of the nineteenth century, manufactures began to assume some importance in the United States. Power machinery was gradually introduced from England and manufactures were encouraged after 1816 by a high protective tariff. The result was that manufactures increased rapidly. But not until after the Civil War did the United States become primarily a manufacturing nation, and only since then have the problems of labor and capital assumed their present importance.

With the disappearance of the independent artisans and the small shops and with the crowding of the laborers into factories, came an entirely different relation between the employer and his employees. The employer was now a man of another class than that of his workmen. Personal contact between him and his hundreds of workers was impossible; he no longer worked with them; he did not know their faces; and in many cases he did not even understand the technical side of their work. He simply bought their labor as cheaply as possible and sold their product for as much as he could.

At the present time, several millions² of laborers are employed by corporations and individual employers, and it is the policy of by far the greater number of these employers to pay little or no attention to the health and comfort of their employees. The average employer looks only to the profits of the immediate future. He is concerned primarily with keeping down the expenses of production, and in this he is encouraged by the present organization of industry.

The dominant note of modern production is economy. Competition has reduced the margin of profits to a point where the cost of production must be kept at the minimum by every possible

1. Seager: *Principles of Economics*, pp. 13-14.

2. According to the Census of 1910, the average number of wage-earners employed in factories was 6,615,000. Seager, 45.

means, and the success or failure of an enterprise depends on its ability to produce goods at a low cost. To the business manager labor is a commodity just as much as fuel and raw material; it is simply an item in the expense account, and it, like all other items, must be kept as small as possible. The reputation of the head of an industrial establishment depends largely upon the size of the dividends; and the closer he bargains and the more carefully he keeps down expenses, the greater are the net earnings from which dividends are paid.

And thus since his success depends so largely upon his ability to keep down cost, the modern employer has every inducement to deal with his employees in a manner as devoid of feeling as that in which he deals with his machinery.

But while labor is a commodity, there is also a human element in it. The wage-earner is in reality far from being a machine. The commodity he sells is a part of his life; and this fact makes the problem of the proper adjustment of the relation between employer and employee a difficult one. The fundamental basis of this problem may be stated briefly thus: competition forces every employer to keep his expenses as low as he possibly can, and in order to do this he must buy labor as cheaply as possible and avoid every unnecessary expense in connection with it. But the great masses of the people of the country are wage-earners, and their happiness and health are most important factors in the welfare of the country. It is thus unfortunately the case that the one who has it in his power to determine more than any one else the laborers' happiness and health—the employer—has apparently no direct pecuniary interest in their welfare, but has apparently a direct interest in avoiding all the responsibility and expense he possibly can, in connection with them.

This apparent conflict between the interest of the employer and the welfare of the great mass of the people who are wage-earners, has resulted in conditions of life for the working classes that are detrimental to their welfare.

At the present time the laborer suffers in many ways. In the first place, wages are more often lower than they should be in fairness to the laborer. This may be on account of the circumstances of a particular case, such as an overcrowded local labor market or because the group of laborers in the case is an es-

pecially ignorant one; or it may be simply on account of the employer's superior bargaining power. Whatever the cause, the result is always the same: the laborer finds less in his pay envelope, and consequently must live less comfortably than he otherwise would.

In the second place, the laborer is often unable to find work. Seasonal trades, casual trades, labor troubles, and business depressions make some unemployment inevitable; but much occurs at the present time that might be avoided.

Again, in nearly every industry the laborer who falls sick loses his entire income; and the same result follows an accident. In either case the laborer is deprived of all his income at the time when his expenses are the heaviest and he needs it the most.

In many industries the health and strength of the laborers are undermined by overwork. Strenuous work, long hours, or a high rate of speed, exhausts the laborer so much that from one day to another he expends more energy than he is able to replace. Only one result can follow from prolonged overwork: the health of the worker is ruined.

Children, who should be in school, are employed in many factories, working long hours in close confinement.³ Women workers are employed at hard work and at wages made low by competition with women who have other sources of maintenance, and who work only to earn "pin" money.

In many trades the laborers run great risk of accident. Work in a powder factory or a coal mine or a machine shop is necessarily dangerous, but carelessness and unnecessary risks cause far more accidents than do the inherent dangers of the work.⁴

3. Out of the 6,615,046 wage-earners employed in factories in 1909, 161,493 were less than 16 years old, *13th Census*, Vol. 8, p. 238.

4. Out of 15,970 accidents investigated in Germany in 1887, the blame was placed as follows, (*American Journal of Sociology*, Vol. 7, p. 119):
- | | |
|------------------------------|--------|
| Fault of employer..... | 19.76% |
| Fault of injured..... | 25.64% |
| Fault of both..... | 4.45% |
| Fault of third person..... | 3.28% |
| No fault assignable..... | 3.47% |
| Inevitable risk of work..... | 43.40% |

Out of 311 accidents reported to the *Kansas Bureau of Labor*, in 1911, the blame was distributed thus, (*27th Report*, p. 228):

Negligence of injured party.....	16.07%
Negligence of fellow employees or others.....	5.14%
Defective, faulty or unguarded machinery or other negligence of employer.....	33.78%
Responsibility not known.....	45.01%

But just as serious as the danger of accident and just as preventable, is the danger of disease. Gas and dust of many kinds, mineral, metallic, animal, or vegetable, are harmful; and lead workers, masons, wool, cotton, wood, paper, and tobacco workers suffer greatly from tuberculosis and diseases of the throat and lungs. Many occupations make necessary contact with poisonous or highly noxious materials, injurious vapors, excessive temperatures, or abnormal atmospheric pressures; but carelessness and unnecessary risks in regard to diseases are all too common in many establishments in our country.

The conditions of many factories are unsanitary. Poor ventilation, dirty floors and machinery, the absence of proper conveniences, and cramped quarters, make the lives of the workers disagreeable.

The ceaseless grind of the laborer's work and the uninterrupted monotony of his life tend to make of him a hopeless, sullen creature, unless some amusement or recreation occupies part of his attention, and in many cases no such outside interest is open to him.

The lack of opportunities of self-improvement is discouraging to the ambitious laborer. Despite our public school system and our free public libraries, much remains to be done in the way of making it easier for the common workingman to acquire an education.

These, then, are some of the ways in which the welfare of the laborers has been neglected. Some employers, it is true, have kept their establishments free from these conditions and have successfully cared for the interests of their employees; but the great majority of the employers have had their attention so fixed on their own immediate profits that they have failed to consider the best policy in the long run, and have allowed these conditions to continue.

To these conditions, under which the laboring people now work and live, it is possible for the employer to apply the teachings of Christ; and the result of their application is, as will be shown later, not only that the employees are benefited, but that in the long run the employer is amply repaid, in a financial way, by better work. But, before discussing the way in which the teachings of Christ may be applied and the results of their application, it is

necessary to inquire just what the teachings of Christ are in regard to the relations between employer and employee.

In the first place, Jesus was not a social reformer. When people came to him to decide social or financial matters, Jesus evaded them. Although there was in his time grave need of social and economic reforms, he made no attempt to remedy existing social evils or to establish a rule of justice and equality in Palestine. In short, he advocated no definite program of economic and social reform. He was primarily a reformer of morals. He was interested in other reforms only in so far as they had a moral bearing. He sought to make society better, not by reorganizing it, but by making the individual more perfect.

However, by teaching the right ideals for the guidance of men in all their affairs, Jesus has done the greatest possible service toward the alleviation of social wrongs. He has pointed out the general ethical principle upon which all reforms must be based. The goal of all human progress is the attainment of the perfect state, which Jesus so constantly urged on the people, where men live in perfect harmony with their fellows and love controls the actions of every one. All economic and social reforms are merely steps in this direction, and only by applying the general ethical principles of Jesus more and more to the practical affairs of life, can society be gradually improved.

The basis of all the teachings of Jesus is the replacement of greed and hate and selfishness by a generous love of one's fellows. "You have heard that it was said, 'An eye for an eye and a tooth for a tooth,' but I say unto you: whoever smites thee on the right cheek, turn the other to him also."⁵ In such sayings as this Jesus lays down general principles and not specific regulations. He means simply that men should be free from anger and hate, and entertain only love toward friend and foe alike. Jesus taught equality, good faith, justice, kindness, and mercy. "All things, therefore, whatsoever ye would that men should do unto you, even so do ye also unto them."⁶ The golden rule means simply that every one must give the interests of others equal consideration with his own interests. To illustrate what he means by love and mercy, Jesus tells the story of the man who fell among thieves. "A certain Samaritan, as he journeyed, came where he was; and

5. *Matt.* V, 38-39.

6. *Matt.* VII, 12.

when he saw him he was moved with compassion, and came to him and bound up his wounds, pouring on them oil and wine; and he set him on his own beast, and brought him to an inn, and took care of him."⁷ This, Jesus relates as an example of true brotherly love and kindness. By such stories and parables Jesus points out that service to one's fellows is the most important thing in life, and that all other things should be made subordinate to love and service.

Wealth Jesus regards as dangerous to a correct moral life. "It is hard for a rich man to enter the kingdom of heaven."⁸ The possessor of riches is beset with temptations on all sides to let wealth and the selfish pleasures which can be obtained from it engage his attention to the exclusion of love and service to his fellows. Jesus's teachings must be regarded, not as condemning wealth, but as warning the rich that they must live useful lives as well as possess riches. "Lay not up for yourselves treasures upon the earth where moth and rust doth consume, and where thieves break through and steal, but lay up for yourselves treasures in heaven, where neither moth nor rust doth consume, and where thieves do not break through nor steal."⁹ Love and service Jesus places above wealth. Neither the possession of riches, nor the lack of them makes any difference in the requirements of a good moral life. Riches simply give the individual a greater power for good or evil, and at the same time make it easier for him to neglect his duty to his fellows. The teachings of Jesus are plain: riches merely increase responsibility, and the first duty of the rich, like that of every one else, is to love and serve their fellows.

These teachings can be applied to the relations between employer and employee in a number of ways. Literally thousands of schemes for improving the condition of the laborers have been tried by different employers. The field of such schemes is almost limitless. Some of the means of applying Christ's teachings to laborers are: by establishing a fair schedule of wages; by adopting some plan of profit-sharing; by recognizing the labor unions and voluntarily agreeing to arbitration; by developing some plan of old age pensions, compensation for accidents, and insurance

7. *Luke*, X, 33-34.
8. *Matt.* XIX, 23.

9. *Matt.* VI, 19-20.

against sickness; by creating some form of savings, loan, and building funds; by installing safety appliances; by making working conditions as sanitary and cheerful as possible; by providing opportunities for recreation, such as a gymnasium, a club-house, and a place for social gatherings; by arranging for lunch rooms, reading rooms, and general and technical educational courses; and by installing a welfare bureau or a social secretary. By any of these means or any combination of them, the employer can apply the teachings of Christ to his business. These general methods may be carried out in a number of ways, and each employer must consider the particular circumstances of his own problem in devising the scheme which will succeed the best with his employees. But in every case the object must be simply to improve the condition of the employees and to make their lives healthier and happier.

But the practical man of business can scarcely be expected to spend large sums of his hard-earned money in improving the conditions of the laboring men he employs and in making their lives happier and more comfortable, purely out of kindness of heart. A rich employer or an employer philanthropically inclined, may be willing to spend large sums just for the satisfaction of benefiting his employees; but the average employer, engaged in a hard struggle with his competitors, wishes to keep business and philanthropy apart, and will not invest his money unless he expects his investment to pay him a good return.

Thousands of pages of perfectly good paper have been filled with scholarly treatises, telling the employer how he should pity his employees and spend his money in bettering their condition. But an appeal to charity and philanthropy is useless. The average employer is not moved to action by a vivid picture of his moral responsibility to his employees. He is in the swirl of a keen and unrelenting competition, and he can not afford to spend his time and money playing the good Samaritan.

However, if the employer can be made to see that he as a Samaritan is helping, not a stranger, but his fellow being upon whom he is dependent; and if he can be satisfied that by investing judiciously in measures which will add to the comfort, health, and happiness of his employees, he can realize a big dividend on

such an investment in increased production, he will not hesitate to try such a scheme.

Furthermore, he will prefer it to another investment offering an equal return, for every employer is first of all a man. The most soulless corporation is only a group of human beings; its policies are made and carried out by men. And when an opportunity for an investment which will make large numbers of other men healthier, happier, and more comfortable, and which will at the same time pay good dividends, is offered, the directors of a corporation, like any other employer, are glad to take advantage of it.

Such a return does, in fact, come from money spent in helping the laborers. A judicious expenditure in bettering their condition is a good investment from a purely business point of view. But before enumerating the advantages which come to the employer as a result of his interest in the welfare of his employees, it is well to consider what some employers have already done to help their laborers.

A much larger number of plans for improving the condition of the laborers have been tried than is commonly supposed. Employers all over the country have been attempting to help their employees, and only a few of these attempts have received much publicity. Some attempts have failed and have been abandoned, but the great majority have succeeded, and every year the movement is growing and spreading, as more employers come to understand that an investment in the good-will and contentment of their labor force is one of the most profitable investments they can make. Only a few of the firms using such plans can be mentioned here, and those mentioned must be selected with a view to illustrating the best adapted and most varied schemes of investing in the good-will and happiness of the laborers.

One of the most widely advertised schemes is that of the National Cash Register Company, of Dayton, Ohio.¹⁰ This company, by offering a series of cash prizes totaling twelve hundred and thirty dollars a year for the most useful suggestions of new methods made by employees; by keeping the buildings absolutely clean and homelike; by maintaining bath rooms, rest rooms, elevators, a

10. R. E. Phillips: *Betterment of Working Life, World's Work*, Vol. 1, pp. 157-169; Gilman: *A Dividend to Labor*, pp. 228-234.

lunch-room for women, a free medicine dispensary, a traveling library, and a cottage to serve as a social and educational center, have greatly changed the attitude of the employees toward the company and toward their work. That this work has been found to be a good investment is shown by the statement of the company:¹¹

"How to make a business successful from the standpoint of the capitalist, and at the same time how to recognize the rights and needs of the employees is a difficult problem. In seeking to solve it, the officers of this corporation have done many things which have been heretofore regarded as out of place in a manufacturing establishment. They believe, however, that the cultivation of these attractive features is right, and that wisely and carefully planned they pay in a business sense, to say nothing of the pleasure and satisfaction derived from them. This belief is a deliberate conclusion reached as the result of experience and careful consideration. It is a belief firmly held that pleasant surroundings are conducive to the economical production of good work, while they attract a better class of working people. The company, therefore, pays good wages and gives unusual attention to matters of sanitation, cleanliness, light, ventilation, heating, and ornamentation."¹²

An even more famous scheme is that of the Friedrich Krupp firm at Essen, Germany.¹³ This company sells and rents houses to its employees, and provides a number of useful institutions, among them cooperative stores, restaurants, a hospital, an industrial school, and many common schools. It maintains many special funds, such as a building loan fund, a life insurance fund, a sick and burial fund, and a pension fund. A sanitary commission has charge of the condition of the works, and more than forty thousand employees cooperate heartily in the work.

Another world-famous scheme is that of the Netherlands Yeast and Spirit Manufactory near Delft, Holland, controlled by Mr. J. C. Van Marken.¹⁴ The premium system in use there

11. From a statement of the company, reprinted in *American Journal of Sociology*, Vol. 7, pp. 444-474.
12. The attitude of the employees toward this work is shown by a statement by one of them, given in the Appendix at the end of this paper.

13. Gilman: *A Dividend to Labor*, pp. 64-75.
14. W. H. Tolman: *The Factory for all; All for the Factory*. *World's Work*, Vol. 3, pp. 1879-83.

encourages the laborers to good work and rewards them for it. The "community house" is the center of their recreation and social life. It contains a library and reading room, school rooms, a gymnasium, and a hall, seating twelve hundred, in which flower shows, band concerts, dances, games, lectures, and social gatherings are held. The company has built and sold to its employees one hundred cottages. The novel feature of their plan is the United Committee, which is composed of four branches dealing with matters of recreation, education, finance, and material interests. The executive management of the United Committee is in charge of a director responsible to the firm. Each branch of the United Committee has many sub-committees, each in charge of a workman. The branch on recreation has sub-committees on musical education and concerts, choral society, gymnastics, skating and rowing, bicycling, stereopticon entertainments, lectures, dancing, home recreation, receptions, factory holidays, skittles, archery, billiards, and Agneta Park. The result of this extensive organization is that the Van Marken Company has a faithful and efficient labor force.

The Pullman Palace Car Company,¹⁵ with its model town, the houses of which it rents to the employees; the United States Steel Corporation,¹⁶ with its \$5,000,000 spent annually to improve the conditions of its workers, its system of helping the employees to acquire stock, its voluntary accident relief plan and free medical care, its sanitary supervision of plant and workers' homes, its safety devices and education of the workmen to avoid accidents, and its old age pension system; and the Harvester Trust, with its accident relief and old age pension plans, its accident prevention and sanitary provisions, its libraries, lectures, English classes, clubs, and bowling alleys: these three corporations have become classical examples of what can be done to help the laborer.

The latest welfare scheme to become famous is the plan of the Ford Automobile Company, at Detroit, to distribute \$10,000,000 of the profits to its employees in 1914; so that its workers who have been receiving from \$2.34 to \$4.86 for a nine-hour day, will in the future receive from \$5 to \$7 for an eight-hour day.¹⁷

15. Gilman: *A Dividend to Labor*
pp. 239-244.
16. *Current Opinion*, Feb. 14,
1914, pp. 144-149.

17. E. A. Rumely: *Mr. Ford's
Plan to Share Profits*, *World's
Work*, April 1914, pp. 664-669.

But the fact that these companies have succeeded in carrying on welfare work does not prove that the average employer in a sharply competitive business could succeed. The National Cash Register Company, the Krupp firm, the Van Marken company, and the Steel and Harvester trusts are monopolies; and the seven members of the Ford company have already accumulated large fortunes. Thus these companies are not on a narrow margin of profit; they can afford to be generous, and the fact that they have succeeded proves very little.

But many companies in the thick of the competitive struggle have found that their prosperity was actually increased by similar schemes. The Sherwin-Williams Paint Company, of Cleveland, is subject to very close competition and under the necessity of considering all expense of improvement a part of the cost of production.¹⁸ Its plant is in the busiest, dirtiest, and most crowded part of the city and is much cramped for room. But despite these unfavorable conditions, the company has succeeded. It has carefully studied sanitary provisions not only for floors and machinery but for the employees as well. It has provided large wash-rooms, shower baths, lockers, and a steam laundry. The danger of lead-poisoning in the dry color department, which formerly made the average length of employment in that department a month and a half, has been obviated by compulsory shower baths and a daily change of the white suits worn, so that now the employees stay as long as in other departments and enjoy good health. The company also has lunch-rooms serving meals at cost, rest-rooms for the girls, and a large club-room with a library for the men. An annual outing day is celebrated at a resort near by, chosen by the employees.¹⁹ That this work has been found to pay is shown by the testimony of Mr. Sherwin, the manager of the company:²⁰

"The Sherwin-Williams Company believes thoroughly that the work of industrial betterment along the most advanced lines can be applied profitably to any manufacturing establishment of any kind, anywhere in the country.

"We believe this because we have proved it in our own case

18 *World's Work*, Vol. 1, pp. 157-169, R. E. Phillips.
19. Gilman, pp. 288-289.

20. *American Journal of Sociology*, Vol. 7, pp. 443-444.

under conditions more discouraging and unfavorable to the work than the average factory has to contend with.

"Yet in the face of these conditions we have found it perfectly feasible to carry on the work, and that it pays us—pays from the dollars-and-cents point of view as well as the altruistic. We find that we can increase the capacity of our factory, get more and better work out of our employees and out of our machinery. We find less friction between the departments, more enthusiasm, greater cooperation, less sickness; and, last but not least, we find we get a better product."

The Cleveland Twist Drill Company has a large rest-room on the top floor of its building which is used for a lunch-room and smoking and reading room combined.²¹ It has a liberal system of payments for usable suggestions, which has resulted in many improvements in its processes. In the annealing room the installation of air pipes to keep the workers comfortable has resulted in a twenty-five per cent greater output. In the tempering room the allowance of a half hour a day of the company's time for shower baths has resulted in much more comfort and much better work.²²

The unique method of the John B. Stetson Company, hat manufacturers of Philadelphia, with its three-year apprentice system resulting in the development of a permanent labor force, its fair system of promotion, its building association conducted entirely by workmen, its savings fund paying five per cent interest, its gradual gifts of stock to the workmen, its benefit fund for sickness and death, its old age pension system, its Sunday school and musical organizations, its free library, and its hospital and dispensary, has succeeded admirably. The company says:²³

"These efforts have resulted not only in the moral, social, physical, and spiritual uplifting of our employees, but also in great improvement in the quality and quantity of their work, and in substantial increase in the company's business and profits."

21. R. E. Phillips: *The Betterment of Working Life*.

22. That the men appreciate what has been done for them is shown by a letter to the company signed by every employee:

"We, the undersigned, in the employ of the Cleveland Twist Drill Company, grateful for the many comforts and conveniences so thoroughly

and conveniently furnished by this firm, take this method of expressing our thanks for them, together with a sincere wish for the continued prosperity of the company."

23. Freeman: *The Labor System of the John B. Stetson Company*, in *Annals of the American Academy*, Vol. 22, pp. 445-450.

The United States Shoe Machinery Company, of Beverley, Massachusetts, looks carefully after its employees.²⁴ An athletic association encourages tennis, cricket, football, gunning, boating, sprinting, jumping, bowling, billiards, cards, musicals, and theatricals. The annual "Sam Sam Day," is celebrated on the athletic association grounds with races of all kinds, games, exhibits of poultry, vegetables and flowers, side-shows, and music. That the company believes it pays is shown by the statement of Mr. Coolidge, the treasurer of the company:²⁵

"This welfare work is inspired by selfishness. The principal purpose it has in mind is to insure the highest industrial efficiency, so that the best and most productive work can be done at the least expense. The aim has been to secure effectiveness through hygiene and the best of living and recreational conditions. The results have justified the attempt."

The J. H. Williams Company, a drop-forge company of Brooklyn, has installed cold air blasts for the workmen over each forge, hoods for the removal of gases, and iron floors to minimize the dust; it has provided protection from all dangerous gearing and shafting, shower baths, and a soapstone sink and wringer and drying closet for the workmen's perspiration-soaked clothes.²⁶ The proprietor looks at this work primarily from the business point of view. Mr. Redfield, who was the treasurer of the company, says:²⁷

"It pays in a strictly business sense, to give attention to and to spend considerable amounts of money in securing the utmost possible comfort for men who work at drop-forging, and to make them feel not only that their rights are regarded, but that they are looked upon as important cooperatives in the success of the business, and that their interests will be looked after.

"No man can estimate the difference in production between a force of men justly and fairly treated, earnest and enthusiastic in their work, and a force of men who work merely because they

24. In *Current Opinion* for Feb. 14, 1914, pp. 144-149, the welfare work of this company is classified as follows: At the factory; (1) sunlight and fresh air, (2) sanitary conveniences, (3) machinery safety devices, (4) emergency hospital, (5) restaurant and rest rooms (6) special consideration of women employees, (7) industrial school; outside the factory; (8) social

clubhouse for employees with athletic facilities of all kinds, (9) home building opportunities, (10) mutual relief association and savings bank insurance, and (11) land for cultivation.

25. *Current Opinion*: Feb. 14, 1914, pp. 144-149.

26. *Century*, Vol. 39, pp. 258-270: *What More than Wages?*

27. *American Journal of Sociology*, Vol. 7, pp. 473-474.

must to get their pay. . . . We must not think of giving alms, but of doing justice. The American workman is self-respecting, rendering fairly value for value; to offer him charity insults him. He wants, and ought, to be treated as a fellow man in a manly way. . . . Frills without just pay are vain."

Many department stores have also done much to make the lot of their employees easier. This has been accomplished by establishing rest-rooms, restaurants, hospitals, baths, locker-rooms, ventilation systems, libraries, classes in technical and general subjects, and by providing for vacations or social activities, including musical and literary clubs.

Nearly every railroad has done something to help its employees. The transportation business is particularly suitable for the successful application of such plans. The business demands a clear head, steady nerves, and strong muscles, and by welfare work the quality of workmen and work is improved.²⁸ The chief agency for helping the employees has been the railroad Young Men's Christian Association. Generally the company pays the entire cost of the erection of the building and sixty per cent of the operating expenses. The employees pay the other forty per cent, and enjoy the use of dormitories, restaurants, gymnasiums, baths, libraries, reading rooms, correspondence rooms, and billiard and pool rooms. The membership fee is from three dollars to five dollars a year. In the buildings are held entertainments and informal social gatherings, lecture courses, general classes, Bible classes, and meetings of the musical and athletic organizations. Most of the roads have an old age pension scheme and a hospital and medical equipment. Savings and loan funds are also common. The effects of this work are very apparent in the increased efficiency of the employees.²⁹

28. *Review of Reviews*, Vol. 38, p. 450.

29. William Menkel in *Welfare Work on American Railroads*, in *Review of Reviews*, Vol. 38, pp. 449-463, says: "That the efforts and expense on the part of the railroads in these various ways in behalf of their employees has been abundantly justified from the business and humanitarian standpoints, the high officials of the roads are firmly convinced. Welfare work has brought company and men into closer relationship. It has made employees feel that the company takes a sympathetic interest in their welfare;

that it is not merely seeking to grind out the best years of their lives with exacting work, long hours, and small pay, giving them nothing to look forward to but retirement without compensation, through disability or old age. It has tended to stamp out the spirit of discontent. It has generally raised the tone and character of the men, increasing their loyalty and efficiency, and making them realize that the success of the company means their own success, and that these both depend on each man doing well his individual part."

A plan without a parallel which has been found to benefit both employer and employee is the system of scientific management devised by Mr. F. W. Taylor. The progressive employers who have adopted it have discovered that by this method the output is greatly increased and wages at the same time are raised. In this system the four underlying principles are: a determination by analysis of the elements in each piece of work; the selection and training of the men best fitted for each task; adequate supervision, and a bonus system to make it worth while for the men to use always the method which has been found to be the best; and a systematic planning of tasks. Under this system the amount of labor which constitutes a fair day's work is determined scientifically, and thus a sound basis for an equitable wage schedule is arrived at, while at the same time by adjusting tools and conditions to insure the maximum output, the amount which the laborer actually produces is increased. Thus, scientific management has been found to increase the output and to raise wages, and consequently to benefit both employer and employee.

In addition to the plans already outlined, many employers have adopted a system of profit-sharing. Many of these plans have failed and many have succeeded. The failures seem to be due to the uncertainty as to what the laborer's compensation will be under these plans. When profits are large the laborers are glad to have a share in them, but when for any reason profits fall off and the laborer's compensation becomes less he feels that he is being cheated. Unless the laborers are willing to share the losses, which they certainly are not, there seems to be little reason why they should be entitled to anything more than a just rate of wages, definitely fixed in advance and supplemented by kindness and humane treatment. However, many employers have found that profit-sharing increases the interest of the laborer in his work, and is fully understood and appreciated by him. In such cases profit-sharing has undoubtedly good results. But profit-sharing can in no way take the place of the measures already described, which improve the conditions under which the laborers work and live and which make the laborers' lives healthier, happier, and more comfortable.

In order really to help the laborer, the employer must do all he can to further the laborer's interests. The employer must treat

the laborer as a man, and he must give him every opportunity to live a healthy and happy life.

But more important for success than the details of the plans which the employer uses, is the attitude in which the employee receives them and the spirit in which he cooperates with them. If the laborer is suspicious of the employer's motives and doubts that the plans will do him any real good in the long run, the work can not succeed. Without the interest and cooperation of the employees nothing can be accomplished, and this interest and cooperation can be secured only when the employee realizes that his employer has his best interests at heart and is not simply trying to outgeneral his employees.

However, if the employer sets about his task of putting his plans into operation in the proper way, he will have little difficulty in convincing the laborers that he is their friend, and that he is simply trying to help them. Once the workmen realize this, they quickly catch the spirit of the work and assist willingly in making the work a success.

The proper method for the employer to pursue is simply to give the employees as complete control as possible over the planning and administration of the betterment work. Nothing antagonizes the average American workman more quickly than a show of paternalism or philanthropy. The workman is self-respecting and independent, and he is unwilling to accept charity from any one. This same independent feeling, however, does not cause employees to resent in any way the disposition of the employer to treat them with kindness and generosity. The employee is glad to feel that his employer is treating him in a friendly way. What the laborer objects to is being made an object of charity. The most successful way to prevent the laborer from feeling that he is receiving charity, is to make him feel that he is helping himself; and in order to do this, the employer must give the laborer as large a part as possible in the devising, organizing, and operating of the schemes for the improvement of his condition. If the employer simply offers his employees the opportunity and leaves to them the responsibility for carrying out the work, his motives will not be misunderstood and the employees will enter heart and soul into the spirit of the work.

But, admitting that these plans would benefit the laborer and

that they can be successfully executed, why should the employer be expected to adopt them? The employer is not a philanthropist, he is a business man, and his relation to his employees is purely a business relation. Why should he be expected to pay more than the lowest possible price for labor? Of course, the employer has a moral responsibility. He is under a moral obligation to see to it that the work which he gives to men is not detrimental to them. He has no right to grow rich, while his laborers are poor and hungry and hopeless.³⁰ Every employer recognizes this moral responsibility, but this recognition does not result in an active campaign to benefit the laborer, because most employers feel that everything they do in response to this moral obligation causes them a financial loss; and consequently they feel that, although they are under a moral obligation to help the laborer, the less they actually do to help him, the more successful their business will be financially. Thus, most employers do no more than they positively have to, to improve the condition of their employees.

But why should the employer be expected to take any other attitude? Why is it not to his interest to buy labor, as he does other commodities, as cheaply as possible?

The answer to this question is found in the fact that labor is in one way fundamentally different from other commodities. If the employer in buying labor were buying only a definite amount of muscular power, it would be to his interest to buy labor as he buys other commodities. But when the employer buys labor, he buys more than this; he expects skill, intelligence, honesty, interest in the work, and good-will toward the employer. To get these essential parts of labor, the employer must treat labor as something more than a commodity. To get intelligence, the employer must treat his employees as if they were intelligent; to get trustiness, he must not only trust them, but must be himself trustworthy; to get good-will, he must show his good-will toward them; and to get interest, he must take an interest in them.³¹ Ruskin expresses this same fact:³²

"The largest quantity of work will not be done by this curious engine (labor) for pay, or under pressure, or by help of any kind

30. Gladden: *Applied Christianity*, p. 49.

31. Gladden: *Applied Christianity*-

ity, p. 47.

32. Ruskin: *Unto This Last*, p. 10.

of fuel which may be applied by the chaldron. It will be done only when the motive force, that is to say, when the will or spirit of the creature, is brought to its greatest strength by its own proper fuel, namely by the affections."

Thus we see that labor is not like other commodities, and it is on account of this difference that the employer finds it profitable in dollars and cents to take an interest in the welfare of his employees.

The employer receives his reward for this interest in four ways, which taken together more than repay him for the time and money he may spend in improving the conditions under which the laborers work and live.

In the first place, the health, strength, and efficiency of the laborers are increased by reforms in the sanitary conditions under which they work. The man who works in a clean, comfortable place with plenty of fresh air and at a suitable temperature, is a much healthier man and a much more productive laborer, than a man, who works in a filthy, over-crowded place full of stale, disease-laden air. Cheerful and comfortable quarters make directly for a larger output. Hence, any sanitary reform or any improvement in the conditions under which the employees work, repays the employer for his trouble and money in better work.

In the second place, opportunities for self-improvement and for getting a broader outlook upon life, increase the mental caliber of the worker, and make his work much more intelligent. Reading rooms and libraries containing works on general and technical subjects, lectures and discussions, and classes in elementary or technical courses, help to accomplish this result. This greater intelligence is just as important a factor in increasing the employee's efficiency, as is the conservation of his health and strength.

But regard for the welfare of the laborers on the part of the employer not only increases their ability to turn out an output, but it also increases their loyalty and willingness to work faithfully for their employer. Their incentive to work faithfully is greatly strengthened by a knowledge that they are being paid all that they earn; and a system of scientific management, a plan of profit-sharing, or simply a policy of paying high wages and expecting high efficiency in return, gives the laborers this knowledge. Furthermore, their loyalty and their interest in their

work are greatly increased by the feeling that their employer is taking an interest in them. This feeling can be created in various ways: by the starting of a savings fund, paying interest on the deposits of all employees; by the extension of the opportunity to the employees to buy small plots of land and houses at nominal prices; by the establishment of a sickness insurance fund, an accident compensation fund, or an old age pension system; by the installation of safety devices; by the publication of a trade paper; by the offering of opportunities for recreation and education; and by the erection of a club house or general meeting place. Any of these things will do much to make the laborers feel that their employer is their friend; and, realizing this, they become much more interested in seeing the business prosper.

Moreover, the attitude of the employees toward their employer greatly influences the amount and character of the work they do. An employee with the best interests of the company at heart and eager to show his appreciation of what his employer has done for him, is a much more valuable man than an employee who regards his employer hostilely and feels sullen and indifferent. All the difference between success and failure can often be found in the state of mind in which the labor force regard their work and their employer. The replacement of the sullen attitude and the indifference so common to laborers, by an attitude of good-will and hearty cooperation, is a change worth a large sum of money to any employer; and it has been found by many employers that this change can be brought about to a great extent by the employer's taking a real interest in the welfare of the employees.

However, the greatest reward of all those which the employer gets for his interest in his employees, is in observing how much healthier, happier, and better lives he has enabled his employees to live through dealing with them in the true Christian spirit. The person who can not find real pleasure in the feeling that through his efforts the lives of a number of people have been made happier and healthier, is an abnormal one. The joy of seeing a gloomy, hopeless creature converted into a happy, ambitious man, is reward enough for any one; and when at the same time a man receives an adequate compensation in dollars and cents for making this change in his laborers, the inducement seems strong enough, when once comprehended, to arouse any employer to an active interest in the welfare of his employees.

APPENDIX

A STATEMENT OF AN EMPLOYEE OF THE NATIONAL CASH REGISTER COMPANY.

C. C. RAYBURN, in *The Chautauquan*, vol. 43, pp. 332-334.

I have been an employee of the National Cash Register Company for the past seven years, and have worked at the bench during this time. I have tried to observe welfare work in all its phases, and I know that many manufacturers feel down in their hearts that the betterment work which they are doing is not appreciated as much as it should be.

The employee whose working hours and whose working conditions have been bettered by welfare work in any form, either that fostered by the employer alone, or conducted along the cooperative plan, is keenly alive to the advantage of employment with a firm or corporation which takes into account the neighborhood conditions under which his family and himself must live.

In industrial centers where welfare work is not a recent feature, or where it has gone beyond the "fad" period in the mind of the community as a whole, there is coming to be a feeling on the part of the employee that his advantages in working hours can be rightly taken as an object lesson to other employers who have not yet come to see that welfare work is not charity, or disguised philanthropy, but a sound business principle which, in some unexplained way, in the bustle and hurry of our American industrial life, was misled or out of line for a time.

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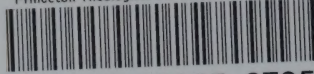
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